


Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phillip H. Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** November 13, 2012

**SUBJECT:** Revised Fiscal Impact Statement – “Samuel J. Simmons NCBA Estates No. 1 Limited Partnership Real Property Tax Relief Emergency Act of 2012”

**REFERENCE:** Draft bill shared with the Office of Revenue Analysis on November 9, 2012

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**Conclusion**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

On November 17, 2010, the District Council enacted Samuel J. Simmons NCBA Estates No. 1 Limited Partnership Real Property Tax Exemption and Equitable Real Property Tax Relief Emergency Act of 2010<sup>1</sup> (“Emergency Legislation”) to exempt the real property located at 2801 14th Street, N.W. (Lot 78, Square 2855) from real property taxes. This property was to be rehabilitated for low-income and very low-income housing for mostly elderly residents using a federal tax credit program, and the legislative exemption was necessary to ensure that it would continue to be tax-exempt after the ownership was transferred to a for-profit entity. The Council enacted the permanent version of the bill<sup>2</sup> (“Permanent Law”) on December 9, 2010. The fiscal impact of the tax abatement was included in the District’s budget and financial plan as a part of the FY 2013 budget. This amount included all taxes due starting Tax Year 2010.

The Emergency Legislation expired on February 14, 2011, and the Permanent Law became effective (after Congressional review) on March 12, 2011, resulting in approximately one month period

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<sup>1</sup> D.C. Act 18-604, 57 DCR 11048.

<sup>2</sup> Effective March 12, 2011 (D.C. Law 18-311 § 4; D.C. Official Code § 47-4646).

The Honorable Phillip H. Mendelson

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during which the property was subject to taxation. The bill forgives the real property tax, penalty and interest assessed against the property for the period between the expiration of Emergency Legislation and the effective date of the Permanent Law applicable to this property.

### **Financial Plan Impact**

Funds are sufficient in FY 2013 through FY 2016 budget and financial plan to implement the bill. The Permanent Law, which authorizes tax relief starting Tax Year 2010, was funded through the Fiscal Year 2013 Budget Support Act of 2012.<sup>3</sup> Thus the fiscal effect of the proposed one-month relief is already included in the District's budget and financial plan.

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<sup>3</sup> Effective September 14, 2012 (D.C. Law 19-168; 59 DCR 8025). See Subtitle VII(A) - Subject to Appropriations Repealers Amendment Act of 2012.